2003 Annual Report

BRITISH COLUMBIA

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The Honourable George Abbott
Minister of Sustainable Resource Management
Parliament Buildings
Victoria, British Columbia
V8W 9E2

Dear Minister:

It is my pleasure to present the Annual Report of the Property Assessment Appeal Board for the year ending December 31, 2003, in compliance with section 49 of the Assessment Act.

Cheryl Vickers
Chair, Property Assessment Appeal Board

BRITISH COLUMBIA

Property Assessment Appeal Board

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Top row, left to right: Keith Pritchard, Kenneth Thornicroft, Shiela Toth, John Bridal, Roderick MacDonald.

Middle row, left to right: Louis Chan, Lawrence Davies, Rosemary Barnes, Paula Barnsley, John Warren, Robert Fraser (Vice Chair), Sheldon Seigel.

Bottom row, left to right: Simmi Sandhu (Vice Chair), Donna Curtis, Cheryl Vickers (Chair), Candace Watson, Douglas Anderson, Michael Bancroft.

Board Profile

The Property Assessment Appeal Board is a quasi-judicial administrative tribunal established under the Assessment Act to resolve appeals on property assessments. The Board is the second level of appeal, hearing appeals from the Property Assessment Review Panels.

The Board's mandate is to ensure that property assessments are accurate and at actual value, applied in a consistent manner in the municipality or rural area. An effective appeal system is critical to maintain confidence in the accuracy and integrity of the assessment roll.

The Board's objectives are:

- To resolve appeals justly and consistently, in accordance with the principles of procedural fairness and natural justice.
- To complete appeals as quickly as possible, at minimum cost to all parties.
- To enhance the parties' and the public's confidence in the assessment appeal system.

Appeals are filed with the Board by April 30 following the completion of the assessment roll.

The Board is independent from government, the Property Assessment Review Panels and BC Assessment. In 2003, the organization had a full-time Chair, two full-time Vice Chairs, 15 part-time members, and a Registrar. Biographical notes on the Board members are included in Appendix 2.

An explanation of how the Board does its job is detailed in Appendix 3, and a glossary of terms used in this report is detailed in Appendix 4.

Report on Performance

Key Strategies

The Board adopted the following strategies to maintain and enhance the appeal system:

- Refined case management techniques to resolve appeals as soon as possible;
- Customized alternative dispute resolution techniques to the particular needs of different types of appeals in order to resolve as many appeals as possible without a hearing;
- Managed the pre-hearing processes, including the disclosure and exchange of documents, to ensure hearings proceed in a fair and efficient manner;
- Issued timely, clear and well-reasoned written decisions after hearings;
- Engaged stakeholders to develop approaches towards a more cost effective and efficient appeal system.

Results

The Board established the following performance targets for 2003:

1. To conduct at least one Appeal Management Conference for 80% of appeals.
2. To complete registration and acknowledgement of the 2003 appeals by May 30, 2003. This allows all the parties to be aware of the appeal and to start discussions before the summer holiday season commences.
3. To issue at least 85% of written decisions within 90 days from the hearing.
4. To conduct 90% of the hearings in the local assessment area. This provides local access to the appeal system and is usually most cost effective for the parties. Some hearings may be conducted outside the assessment area if it is more practical and cost effective to all the parties, including the Board.

Performance against these targets is summarized as follows:

Target	Results
1. Conduct Appeal Management Conferences	50% of 2003 appeals[1]
2. Completion of registration	May 27, 2003
3. Timing of written decisions	83% within 90 days from the hearing
4. Location of hearings	98% within local geographic area

Note:

1. This figure represents the appeals which had an Appeal Management Conference as a percentage of the newly filed 2003 appeals. Appeals which are pending Court/Board decisions and those which were dismissed due to validity and deficiency issues were not included in the calculation as it is not practical to hold conferences on these appeals.

The goal of Appeal Management Conferences (AMCs) is to clarify the issues, explore the possibility of resolution without the need for a hearing, ensure production of relevant information, and where a hearing is required, ensure it proceeds as efficiently as possible. Resolution through the mutual agreement of the parties or withdrawal of the appeal is much more cost effective for both the parties and the Board than a formal hearing followed by a written decision.

Over the previous few years AMCs were conducted on the majority of commercial and industrial appeals and only selectively conducted on residential properties, depending on Board resources and the complexity of the individual residential appeals. After examining the number of new appeals filed in April 2003, the Board decided it would be feasible and cost effective to conduct AMCs for the majority of single family residential properties.

The actual portion of appeals which had an AMC fell significantly below the 2003 target. In retrospect, the 80% target was not achievable given that some appeals are resolved before an AMC is held. In addition, in 2003 the Board implemented "self management" approaches for suitable agent-filed appeals that required the parties to attempt resolution without Board AMCs. The self management approaches are discussed further in the Responses to Challenges in 2003 section. In terms of the overall numbers in 2003, the Board held AMCs for all appeals which required active staff involvement to reach resolution. The number of AMCs is comparable to previous years, as illustrated in Appendix 7.

The Board managed to complete registration prior to its May 30th target in face of a 15% increase in the number of new appeals.

The Board was below its timeline target by 2% for the completion of written decisions. In part, this was due to appointing eight new part-time Board members in 2003. New members typically take longer to complete their first few written decisions. In addition, as a training tool, the Board used more multi-person hearing panels, sitting new members with more experienced Board members. Given the time to reach consensus and agree on wording, it typically takes longer for a multi-person versus a single-person panel to complete a decision.

In terms of completions, by December 31, 2003 the Board resolved 56% of the 2003 filed appeals and 83% of the 2002 appeals. Over the last year, the number of pre-2002 appeals has been reduced by 40%.

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In terms of the 5,060 properties initially appealed in 2003, 35.87% were resolved leaving 3,245 properties outstanding at year-end. More complex appeals, which are often not resolved until the following calendar year, commonly involve a number of properties in each appeal.

11.76% of the properties under appeal for years 2002 and earlier were resolved over the last year, leaving 3,689 properties outstanding at year-end.

2003 Results Compared with Previous Years

Completion results over the last three years are summarized in the following table:

Activity	2003	2002	2001
Appeals completed during the year	**1,194**	1,038	1,047
Reduction in total number of appeals[1]	**54%**	54%	58%
# and % of appeals resolved without a hearing	**1,073 (90%)**	876 (84%)	931 (89%)
Average time for a decision (from hearing)	**52 days**	48 days	48 days
Direct costs per completed appeal[2]	**$714**	$819	$816

Notes:

1. With an appeal deadline of April 30th each year, the time period for reducing year 2003 appeals is from May 1 to December 31. The timeline for previous year appeals is from January 1 to December 31.
2. Direct costs vary with appeal volume therefore this can only be considered a rough indicator of efficiency and cost effectiveness.

The Board completed 15% more appeals during 2003 versus 2002 and was particularly successful in resolving some of the older appeals. The number of 2001 and earlier appeals was reduced by 40% in the last 12 months.

The use of Appeal Management and Settlement Conferences has resulted in the majority of appeals (90%) being completed through mutual agreement between the parties and withdrawal of appeals. Resolving appeals without the need for a hearing assists in meeting the objective of minimizing appeal costs for all parties. In addition, collectively, the parties may be more satisfied with resolution through mutual agreement versus the Board deciding a "winner" and "loser" through a hearing. The non-adversarial "problem-solving" approach also assists parties in building and maintaining effective long-term relationships and developing communication channels to assist with the ongoing resolution of assessment issues.

The direct costs of completing an appeal were reduced by just over $100 due to an increase in the number of completions (spreading fixed costs over a greater number of appeals) and by completing more appeals through alternative dispute resolution techniques.

The average time to complete a written decision, following a hearing, increased in 2003 by 4 days. Possible reasons for this increase are discussed, above, in the Results section. An increase in the average writing time could also have been due to an increase in relative complexity of appeals. The Board, however, does not have a quantitative measure of the relative complexity of appeals between calendar years. As per Figure 1, a broader view of the historical timing

demonstrates that the overall trend has been to issue decisions in a more timely manner.

Figure 1: Average number of days from hearing to decision

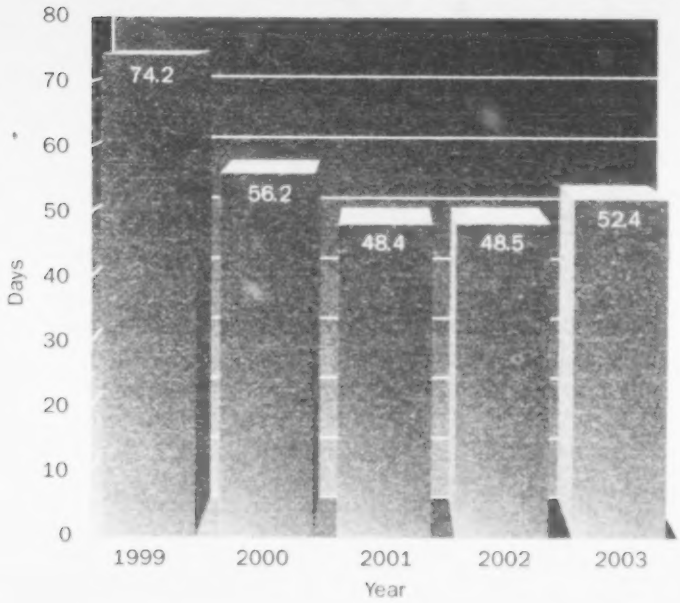
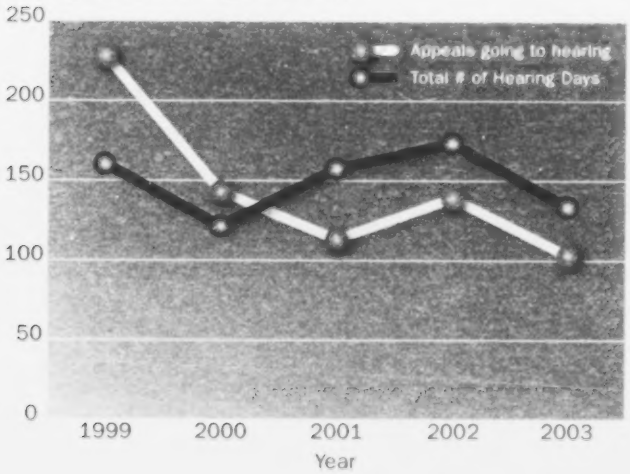


Figure 2 illustrates a decrease in the number of hearings, which is primarily due to an increase in the rate of resolutions through the Board's alternative dispute resolution techniques.

Figure 2: Hearing statistics



As illustrated in Appendix 7, the Board used more multi-member panels for hearings in 2003 versus 2002. Normally, the Board strives to minimize the number of members sitting on a hearing to reduce the associated hearing costs. In 2003, however, the Board consciously panelled new members with more experienced members on nine hearings, purely as a training and orientation tool for these new members.

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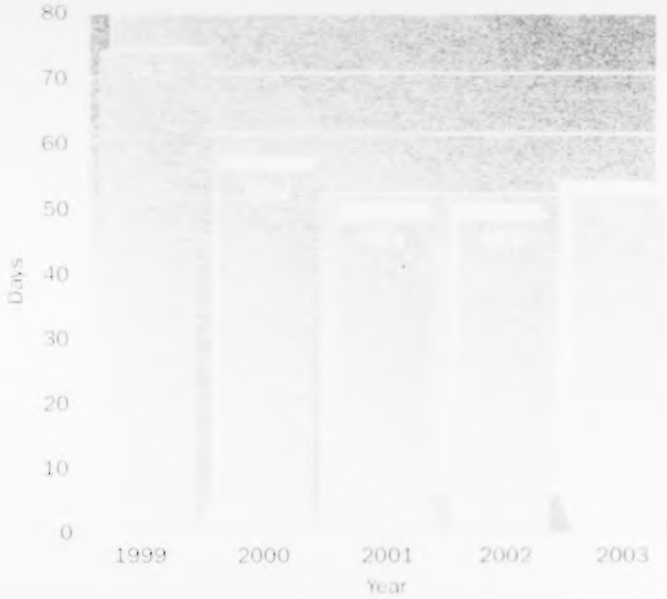

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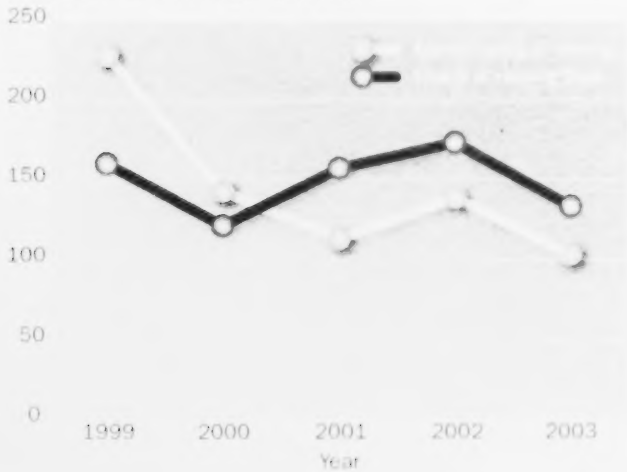

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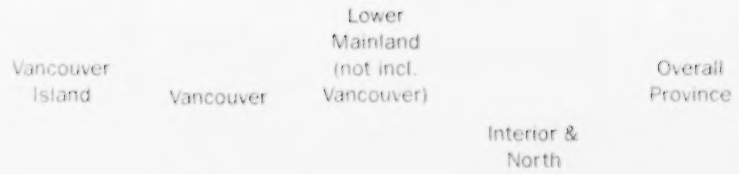
The volume of new 2003 appeals increased across the Province by 15% over 2002. As illustrated in Figure 3, on a regional basis, the interior and north had a decrease in the number of appeals and parts of Vancouver Island and Greater Vancouver experienced significant increases. This variance likely reflects underlying economic factors and the real estate market, with significant increases in real estate values in Victoria and the Lower Mainland and decreases in certain markets in the interior and north.

Figure 3: Change in the number of new appeals from 2002 to 2003



As with 2002, the majority of new appeals (54%) in 2003 were from "Business and Other" classed properties. The number of residential properties appealed was up significantly, representing 24% of the total versus 15% in 2002. Given that 2003 assessments are based on a valuation date of July 1, 2002, this increase in residential appeals could have been due to the increasing residential real estate values in selective areas of the Province in 2002.

Despite the increase in the volume of appeals, the actual number of properties involved was down by 6%. This was largely due to less multi-property strata titled appeals compared to last year.

Analysis of Outstanding Appeals

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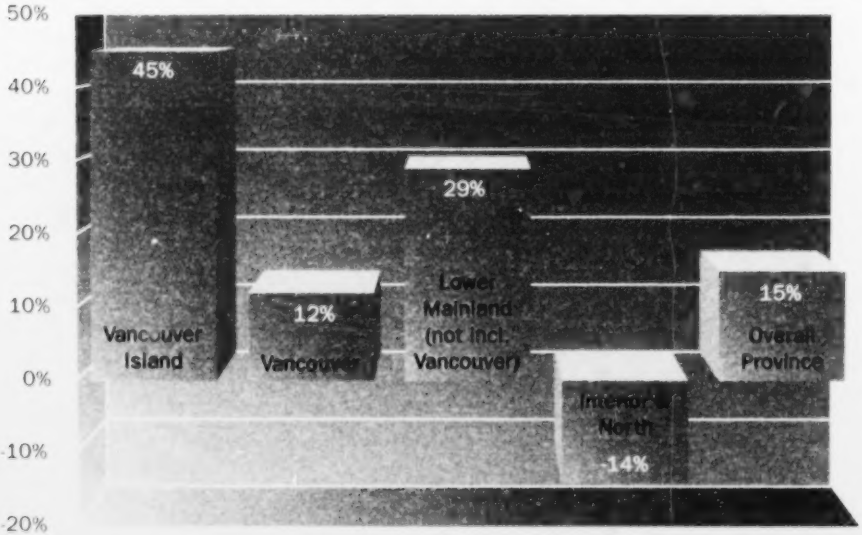

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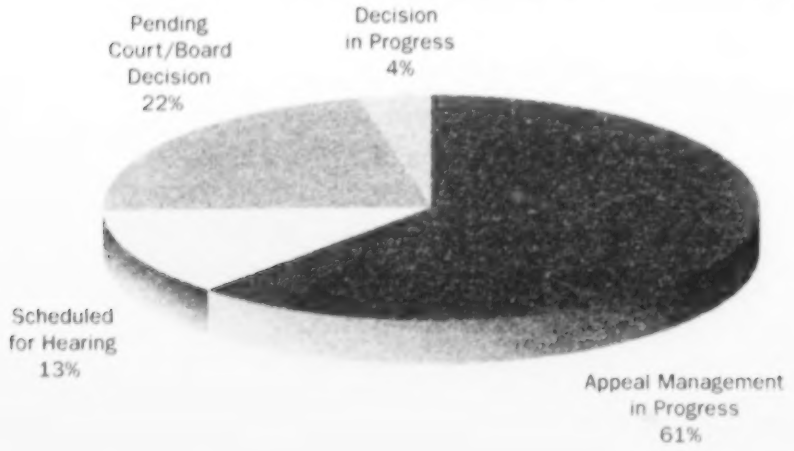
1,000 appeals were outstanding as of December 31, 2003. Given the success in resolving older appeals, less than half (42%) of the outstanding appeals are from years prior to 2003.

As outlined in Figure 4, the majority of the outstanding appeals (61%) are under active case management. The Board is working with the parties to identify the specific areas of disagreement and to resolve as many of the issues as possible through mutual agreement. When it becomes evident that further discussion will not result in resolution, a hearing is scheduled. As of December 31, hearings had been scheduled for 13% of the outstanding appeals. 22% of the outstanding appeals were being held in abeyance, pending the outcome of other cases before the Courts or the Board.

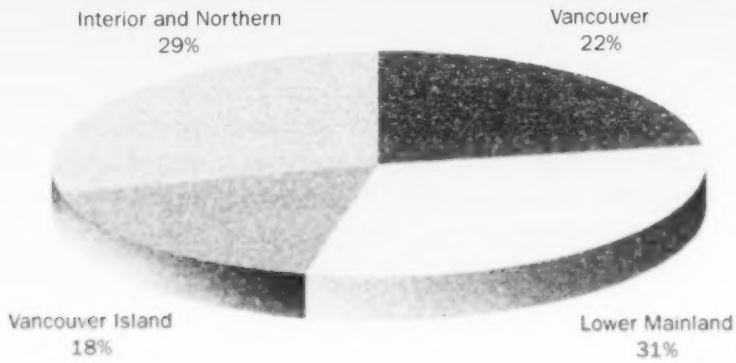
Figure 4: Status of Outstanding Appeals as at December 31, 2003



The number of rolls under appeal increased from 6,111 as at December 31, 2002 to 6,663 as at December 31, 2003. The associated total assessed dollar value of the properties as of December 31, 2003 was $18.8 billion, up by $4.4 billion from last year. This increase was due to the volume and value of newly filed appeals in 2003. As detailed in Appendix 8, the Board received 1,318 new appeals in April 2003, representing a total value of $10.8 billion.

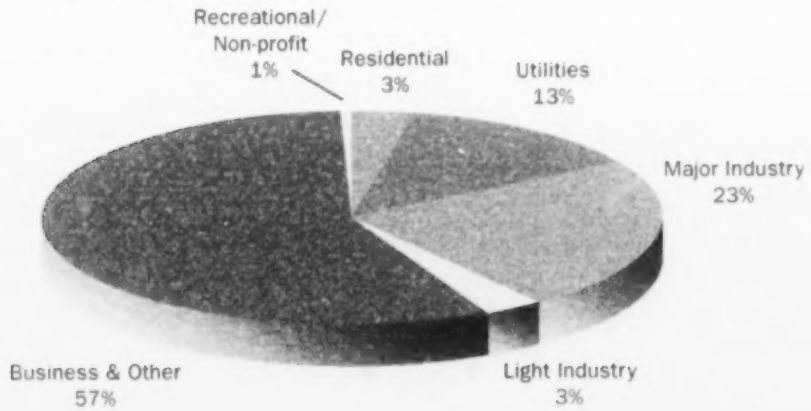
The number of appeals is fairly evenly distributed across the Province as illustrated in Figure 5.

Figure 5: Regional distribution of outstanding appeals



The majority of assessed value under appeal is in the Business and Other and Major Industry classifications. The vast majority of residential appeals are completed by the end of each year

Figure 6: Assessed value by classification



More detailed statistics are provided in Appendices 5 to 10.

Appeals to the Courts

Board decisions can be appealed on a question of law to the B.C. Supreme Court. The Board files the appeal (called a stated case) with the Supreme Court if a request is made from a party within 21 days from receiving the decision. Supreme Court decisions may be appealed to the B.C. Court of Appeal with leave.

At the beginning of 2003, eight stated cases from previous years were still outstanding before the B.C. Supreme Court. During the year, 11 new stated cases were filed. The Board's decision was confirmed by the Supreme Court on eight appeals and referred back to the Board on four appeals. At year-end, seven stated cases were still before the B.C. Supreme Court.

During 2003, applications for leave to appeal to the Court of Appeal were made on five appeals. The Court of Appeal granted four of the leave applications and one application had not been heard. The Court of Appeal referred one appeal back to the Board.

One leave application has been filed to the Supreme Court of Canada, however, as of December 31, 2003 this application had not been heard.

Responses to Challenges in 2003

1

How to deal with increased appeal volume:

The Board was challenged with managing a 15% increase in the number of appeals, in an environment of increasing constraints on parties' resources. The Board took a two pronged strategy at the beginning of the appeal year:

- Set expectations for agents and BC Assessment to initiate discussions on the appeal issues and exchange basic property information without hands-on involvement of Board staff;
- Undertook case management on residential and other independent appeals (ones not handled by an agent) early in the appeal year. This involved telephone Appeal Management Conferences to resolve as many appeals as possible without a hearing and to set hearings when resolution was not possible.

This approach allowed the Board to concentrate resources on the appeals that required direct involvement of the Board's staff to reach resolution. Agent-filed appeals are typically more complex and therefore take longer to resolve. A further evaluation of the "self management" approach for some agent-filed appeals is provided, below, in the Responses to Challenge #4.

2

How to resolve older outstanding appeals:

While less than 6% of the 2000 and earlier appeals were outstanding at the beginning of the year, the Board sought to complete as many of these appeals as possible to resolve the uncertainty in the assessment roll and the associated tax and budget implications to the taxing jurisdictions. As shown in Figure 7, by year-end less than 3% of these older appeals were outstanding.

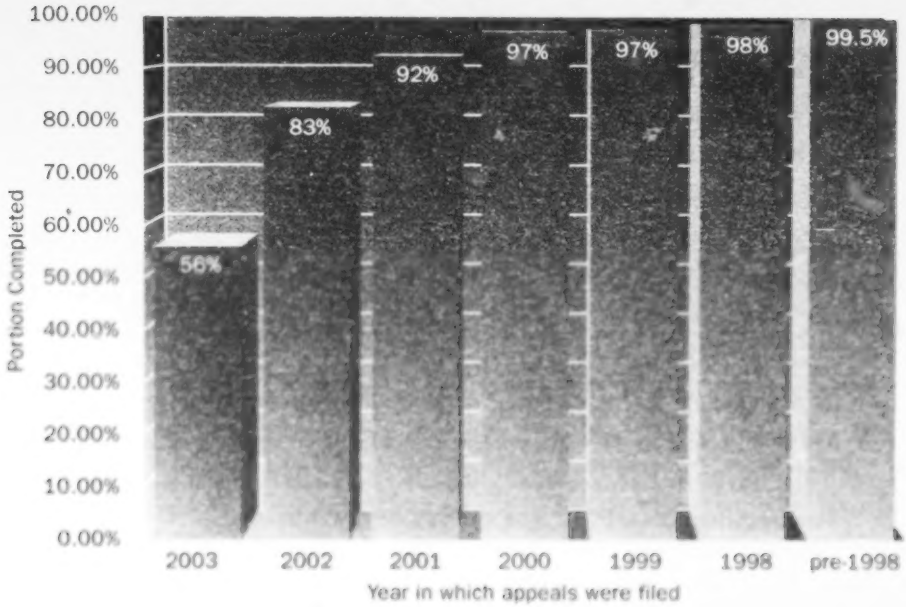
As of year-end, the Board is prevented from moving forward on 70% of the year 2000 and older appeals, pending Court decisions on related issues.

Due to the importance and complexity of older appeals, the Chair took direct case management responsibility for these appeals which are concentrated into three groups:

- First Nations jurisdiction issues;
- Forestry related appeals;
- Westcoast Energy appeals.

58 of the appeals are pending negotiations and Court decisions on whether First Nations or municipalities have taxing jurisdiction. Although the Board does not have jurisdiction to decide on this issue, utility companies have filed appeals to protect themselves against double taxation.

Figure 7: Completed appeals by the year of original filing



All but a handful of the forestry appeals from 2000 or earlier were resolved by December 31, 2003.

The Board held three in-person conferences with the parties involved in the Westcoast Energy appeals, with the input from the taxing jurisdiction of Taylor. The parties have resolved all issues up to and including the 2001 roll year and have agreed to timelines to complete re-costing of the properties. As the re-costing is completed, the Board will issue orders to complete the appeals. Hearings will be set over the next year for any new issues in the 2002 to 2004 appeals. Given that Westcoast appeals, alone, represent close to 60% of the pre-2001 property appeals, resolution of this caseload will clear away a significant number of older appeals.

3

How to maintain a fully qualified complement of Board members:

In January 2003, the Board renewed seven part-time Board members and appointed eight new members. With an approximate 50% turn over in part-time members, the Board concentrated on providing specialized hearing and adjudication training to build the necessary skills and experience for the new members. This training was provided through two Board meetings, attendance at the BC Council of Administrative Tribunals annual conference and training session and by panelling new members with more experienced members in hearings held early in the appeal year. The associated training costs were necessary and anticipated with this large change in Board membership.

The Board has experienced some difficulty attracting and retaining sufficiently qualified individuals for both full-time and part-time adjudicative positions because salary and per-diem levels have been not been competitive nor equitable in relation to other administrative tribunals. Accordingly, the Chair recommended and

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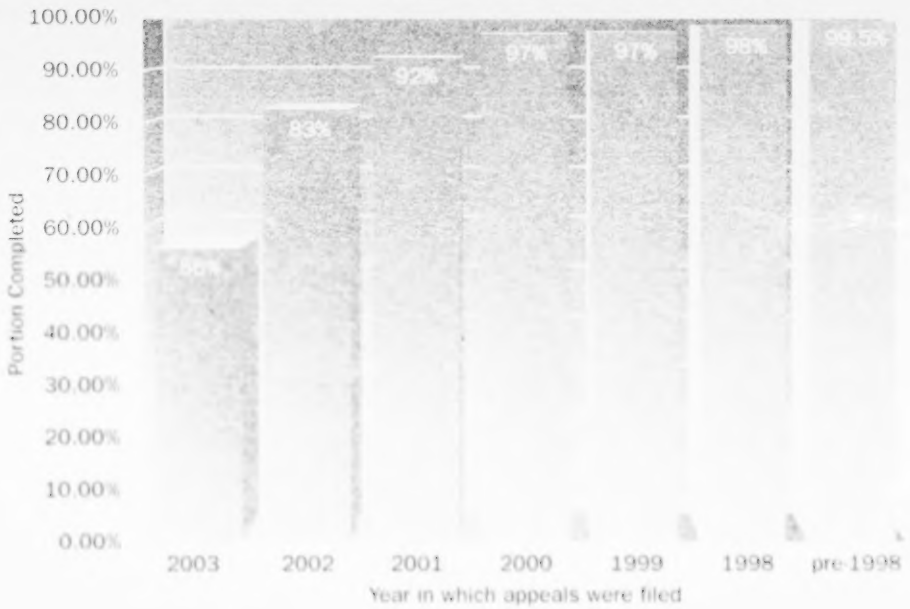

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received the Minister's concurrence to increase the salary scales and per diems in line with a recent Treasury Board Directive from the Provincial government. These increases are entirely covered in the Board's current budget as required by the Directive. The per-diem increases for part-time members were implemented as of October 15, 2003 and the recommendation to increase the full-time member's salaries will be before Cabinet early in 2004.

The Board opted to not fill the full-time Vice Chair position left vacant when Cheryl Vickers was appointed Chair. The Board handled the case management responsibilities for the newly filed 2003 appeals with existing staff and the temporary use of two part-time Board members. Much of this work is heavily concentrated early on in the appeal season requiring the temporary infusion of skills and resources. The case management work has been principally conducted by the full-time members because of the training required. The Board will continue to monitor its progress with appeals and assess the need for another full-time member.

4

How to improve the cost effectiveness and timeliness of the appeal system:

In 2002 the Board introduced "self-management" approaches to resolve suitable agent-filed appeals. The Board required the parties to discuss the appeal issues, exchange documents and attempt resolution without significant staff involvement. The goals were to free up Board resources to concentrate on other appeals and provide more flexibility for the parties to seek resolution without the need for a hearing.

In April 2003, the Board sought feedback from the Assessment community and adopted the following refinements:

- Required the parties to identify the appeal issues and exchange standardized basic information earlier in the year (by June 30, 2003);
- Required more regular status reports on progress so that the Board could monitor and become more actively involved if progress on resolution was not sufficient.

While somewhat successful in facilitating the early exchange of information and discussion between the parties, the "self-management" approach to appeal management did not result in higher appeal completion rates for 2003. The Board will hold a stakeholder session in March 2004 to obtain feedback from the participants on the "self management" approach and discuss a proposal for more active appeal management for the 2004 appeal year.

On the positive side, the "self management" approach did allow the Board to concentrate resources in resolving the majority of residential, small commercial and other business appeals not involving agents.

In terms of the timeliness of the Board issuing written decisions, the Chair will continue to work with Board members through a new Performance Development and Feedback Plan for Board Members to improve their decision writing skills and the timeliness of decisions.

Other Activities

Forum on Appeal Management Practices

The Board held a forum with members of the assessment community including members of the Canadian Property Tax Association (CPTA) and BC Assessment in April 2003 to discuss and refine the "self management" approaches for agent-filed appeals. As a result the Board standardized its expectations for the parties and issued appeal letters with specific Board orders on reporting and exchange of information.

Other Initiatives

The Board launched a new electronic filing option for the 2003 appeals. Appellants were able to electronically submit their appeals through the Board's website with an option to pay fees via credit card. The main goal was to improve customer service and increase access to the appeal system through e-business solutions. Even though this new service was not heavily promoted in this "trial" year, the Board received 59 e-filed submissions covering 131 properties. In 2004, the e-filing option will be included with the instructions for appealing Review Panel decisions, which should vastly increase the awareness and use of e-filing.

The Board continued consultations with the Ministry of Sustainable Resource Management on possible changes to the appeal system in response to the government-wide Core Services Review. The government finalized its decisions in the middle of the year, which centered on maintaining the current two level appeal system (Property Assessment Review Panel, followed by the Property Assessment Appeal Board). The Board must continue to develop strategies to increase the effectiveness and efficiency of its appeal processes. Some of these strategies are discussed under the Looking Forward section of this report.

Board Finances

The budget is fully recovered as part of the property tax levy applied by BC Assessment on assessed properties.

The Board monitors and reports on performance in the following ways:

- submits quarterly operational reports to the Minister of Sustainable Resource Management;
- reviews expenditures and completes forecasts on a monthly basis;
- posts quarterly and annual appeal statistics on its website, for review by stakeholders and the public; and
- publishes an annual report.

The budget is approved on an annual basis and is $1,262,000 for the period of April 1, 2003 to March 31, 2004.

The budget and estimated expenditures for 2003/2004 compared with the past five fiscal years are as follows:

Figure 8 – Budget versus Actual Expenditures by Fiscal Year

2003/04	$1,262,000	$1,169,000	$93,000	7%
2002/03	$1,261,000	$1,077,000	$184,000	15%
2001/02	$1,432,000	$1,120,812	$311,188	22%
2000/01	$1,418,082	$1,092,714	$325,368	23%
1999/00	$1,502,284	$1,410,792	$91,492	6%
1998/99	$1,402,284	$1,777,431	($375,147)	(27%)

Notes:

1. [illegible]
2. [illegible]

Based on expenditures to February 29, 2004, it is forecasted that the Board will be under budget by $93,000 (or 7%). Most of the savings were due to staff vacancies for the Vice Chair and one administrative position and due to a reduction in the number of hearings.

The Board collected $132,000 in revenue, primarily for the 2003 appeal fees. This was $17,000 over forecasted revenue for 2003/2004, reducing the overall funding requirement from the property tax levy to an estimated $1,037,000.

A further breakdown of expenditures is provided in Appendix 11 including comparisons to the previous 6 years. The average cost per appeal completed in

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Notes:

1. Expenditures for fiscal year 2003/04 are forecasted based on expenditures to February 29, 2004.
2. Includes capital expenditures for a computer based appeal management system (authorized by Treasury Board).

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2003 was just over $900, $700 of which is comprised of direct costs (salaries, Board Member fees and expenses, and hearing facility costs). These costs in 2003 are significantly less than over the last four years, however they are most sensitive to changes from year to year in appeal volume.

As with previous years, the majority of Board expenditures are for managing and resolving appeals, including appeal registration, alternative dispute resolution and hearings. The Board has reduced costs by resolving more appeals without a hearing, making greater use of single person instead of multi-person hearing panels, and implementing e-business and office automation solutions.

Looking Forward

Challenges for 2004

Based on experience in 2003 and previous years, the Board anticipates the following challenges:

1 **To effectively resolve the newly filed 2004 appeals in a timely manner.**

With the intake of appeals for the whole Province at one time of year (deadline of April 30th), the Board strives to commence resolution efforts as soon as possible in the appeal year.

In 2004, the Board will likely undertake the following strategies:

- Complete registering the new 2004 appeals as soon as possible, notifying the parties and initiating discussions on resolution. To assist with this strategy, the Board will launch a new agent e-filing system which will allow for the electronic transfer of appeal data, streamlining data entry. This system is designed for agents who submit a high volume of appeals.
- Consider accelerating appeal discussions on agent-filed appeals. Traditionally many of these discussions have not taken place during the early summer months, while the Board has concentrated on resolving residential appeals. The concept is to move forward with the agent-filed appeals "in parallel" with residential appeals. The Board will present this proposed strategy to stakeholders in a forum in March 2004.

2 **To develop new cost-effective means of resolving residential appeals which are more proportionate to the financial interests at stake.**

Given the Government's decision in 2003 to maintain the two tier appeal system for all appeals including residential, the Board is challenged to develop more cost effective ways of resolving residential appeals. In contrast to commercial, business and major industrial properties, single family residential assessment disputes commonly involve relatively small differences of opinion as to the appropriate assessed value. The tax implications often are considerably less than the cost of an appeal, taking into account the expenses incurred by the appellant, BC Assessment and the Board. Over the last few years, the Board has increased the resolution of residential appeals without the need for a hearing. The most common technique is through telephone Appeal Management Conferences.

The Board will explore whether resolution through these and possibly other alternative dispute resolution techniques can be increased, thereby reducing

the overall cost of residential appeals. The Board will also examine cost-saving measures for those residential appeals which do require a hearing.

3 **To refine the Board's approaches to agent-filed appeals to reach an appropriate balance between cost-effectiveness and timely resolution.**

Over the last two years, modifications to case management strategies and the use of "self management" approaches for agent-filed appeals have strived to reach the right balance between minimizing the cost of the appeal system and resolving appeals in a timely manner.

If the Board was solely concerned with resolving appeals by a certain deadline it could simply schedule all appeals for a hearing prior to this deadline, as long as it allowed the parties reasonable preparation time. However, it is recognized in the Assessment community that this approach would vastly increase the collective costs of the appeal system, by requiring the preparation of expensive appraisal and other expert reports and the costs associated with hearing facilities, travel and legal and professional advice. The Board must also balance the need for early resolution against the duty to provide a fair process pursuant to the principles of natural justice.

The Board is planning an appeal management forum with the assessment community in March 2004 to obtain feedback on what adjustments should be made to accomplish the best balance possible between costs, timeliness and fairness.

4 **To resolve older appeals that do not need to be held in abeyance pending Court action.**

The Board is dependent upon the Courts before it can complete most of the older appeals. As discussed in the Responses to Challenges in 2003 section, a significant portion of prior year appeals must be held pending the outcome of Court action. As at December 31, 2003, 39% of the 2002 and earlier appeals were in this pending category. Of the 142 older appeals from year 2000 and earlier, 70% are pending court action.

The single largest group of older pending appeals is contingent upon resolution of whether the property is subject to First Nations' taxing jurisdiction as opposed to local government or provincial taxing jurisdiction. Once this issue is determined, the Board will push to resolve these appeals as soon as possible. Resolution of these appeals will result in reducing the number of older appeals by over 40%.

Progress can, however, be made in resolving other older appeals. The Board will continue to work with the parties to bring closure to the outstanding Westcoast Energy and forestry related appeals.

Targets for 2004

Targets for appeal resolution will be set after the April 30, 2004 appeal deadline. At that time, the volume and complexity of the 2004 appeals can be assessed and appropriate priorities and targets set for the resolution of 2004 and prior year appeals.

Other performance targets have already been set for 2004, including:

1. To complete registration and acknowledgement of the 2004 appeals by May 31, 2004.
2. To issue at least 85% of written decisions within 90 days from the hearing.

The Board will continue to use alternative dispute resolution processes in an effort to complete as many appeals as possible without a hearing. The effectiveness of these techniques is often dependent on the issues in an appeal and the parties involved. The Board must, at all times, ensure that appeals are resolved in accordance with the principles of natural justice.

APPENDIX 1

Staff Members

Top row, left to right: Isabella Chin, Systems Coordinator; Estrellita Gangoso, Decision Processor; Robert Fraser, Vice Chair; Leslie Gilker, Deputy Registrar; Michelle Hannigan, Scheduling & Administration Coordinator.

Bottom row, left to right: Steve Guthrie, Registrar; Cheryl Vickers, Chair; Simmi Sandhu, Vice Chair; Gwen Marriott, Administrative Assistant.

APPENDIX 2

Biographical Information on Board Members

Douglas Anderson, Penticton

Doug Anderson has been an arbitrator with the Residential Tenancy Branch since 1995 and is also an arbitrator for the Westbank First Nation. Currently, he is also an adjudicator for the Motor Vehicle Branch. Prior to this, he had his own law practice, Anderson & Company, in Penticton from 1978 to 1998. Mr. Anderson has also been involved in numerous areas of the community. He has had a 13-year involvement with Scouts Canada both as a leader and as part of the Executive, and was a Director of the Penticton Boys and Girls Club. In addition, he has been a Director and President of the Okanagan Similkameen Neurological Society. A graduate of the University of British Columbia, Doug holds a Bachelor of Law.

Michael C. Bancroft, Nelson

For over 24 years, Michael Bancroft has worked for the British Columbia Ministry of Transportation and the Ministry of Crown Lands. He has served as a Property Agent, a Regional Planning Technician and a Manager of Property Services. He holds a Diploma in Urban Land Economics from the University of BC. He is a Board Member with the Nelson & District Credit Union and volunteers his time with "TASK" (Taking Action for Special Kids).

Rosemary A. Barnes, Coquitlam

Rosemary Barnes has been a licensed realtor since 1976. She obtained her real estate agent's license from the University of British Columbia in 1984 and her residential appraisal designation in 1994. Ms. Barnes is experienced in mediation and arbitration, and is an instructor with the Real Estate Board of Greater Vancouver and the B.C. Real Estate Association. She is also a member of the Real Estate Council of British Columbia. Ms. Barnes has been a member of the Property Assessment Appeal Board since 1998.

Paula Barnsley, Kamloops

Paula Barnsley is an associate lawyer with Cundari and Company in Kamloops. Ms. Barnsley holds a Masters of Law from the University of BC, a Bachelor of Law from Dalhousie University, and a Masters of Education from Memorial University in Newfoundland. She is a member of the Law Society of BC, the Law Society of New Brunswick and the Nova Scotia Barristers' Society.

John Bridal, Sooke

John Bridal is the Manager of Program Development in the Real Estate Division, Faculty of Commerce at the University of BC. He is responsible for overseeing all aspects of the development and delivery of all courses. He is an Honours graduate from UBC with a Bachelor of Commerce in Urban Land Economics. He also holds a Master of Education from UBC. Mr. Bridal is a member of the Canadian Association for Distance Education, a member of the Real Estate Institute of BC and the Real Estate Educators' Association.

Louis K. C. Chan, Vancouver

Mr. Chan presently is a real estate appraiser for the Canada Custom and Revenue Agency. He has also worked as a Senior Appraisal Consultant for Colliers International Realty. Mr. Chan is member of the Accredited Appraiser Canadian Institute, the Real Estate Institute of BC and the Royal Bank Panel of Appraisers. He completed the Realty Appraisal Diploma Program from Vancouver Community College.

Donna Curtis, Victoria

Ms. Curtis is a real estate agent for RE/MAX Camosun in Victoria. She received her real estate license in 1981, was qualified as an agent in 1992 and holds a diploma in Urban Land Economics from the University of BC. The YMCA Women of Distinction nominated her for Community Service in 2000.

Lawrence Davies, Kamloops

Lawrence Davies has been a part-time member of the Property Assessment Appeal Board since 2000. He has also worked for Appraisals British Columbia and for the Ministry of Municipal Affairs. In 1996, Mr. Davies retired after 35 years with BC Assessment Authority. He was certified from the Appraisal Institute of Canada.

Rob Fraser, Victoria

Active in the real estate industry for many years, Mr. Fraser has been a sales person, agent/manager, owner, local board president, provincial association president,

and chair of a real estate related insurance company. In addition to his extensive experience and training in real property valuation, Mr. Fraser also has expertise and training in conflict resolution, mediation, arbitration, and negotiation. He has a BA, an MA and did doctoral studies specializing in micro-demographic models. A part time member of the Board since 1992, Mr. Fraser was appointed as a full time Vice Chair in 1998.

Roderick MacDonald, Tofino

Rod MacDonald received his Bachelor of Law from the University of British Columbia in 1970. After articling with Straith, McIntosh and Company in Victoria, Rod established a law practice in Brentwood Bay. While in general practice, Rod served a term on the Central Saanich municipal council and on the Board of Variance. His experience includes a wide range of criminal cases, ranging from theft and impaired driving, to criminal negligence causing death. His practice also encompassed real estate transactions, including subdivision and land development. In 1985, Rod was appointed to the Assessment Appeal Board (now the Property Assessment Appeal Board) and served continuously until 1995. Rod has maintained a keen interest in assessment matters and has kept current with respect to changes in the Assessment Act. Upon leaving the Board in 1995, Rod joined Straith and Co. as associate counsel. In 2002, he established a general law practice in Tofino.

Keith T. Pritchard, Nanaimo

Keith Pritchard is President of Isle West Appraisals. He is the immediate past President of the BC Association of the Appraisal Institute of Canada as well as a member of the Board of Examiners for the Institute. Mr. Pritchard has 33 years experience in appraisal of residential, commercial, industrial, forestry and agricultural properties. He has also acted as an expert witness for the Supreme Court of BC and the Superior Court of Washington State. Mr. Pritchard is a member of the Real Estate Institute of BC and is a Fellow of the Royal Institution of Chartered Surveyors.

Simmi K. Sandhu, Delta

Appointed as a Vice Chair of the Board in 2001, Ms. Sandhu is a lawyer, called to the BC Bar in 1990. Her areas of practice included corporate/commercial law and real estate transactions. In addition, she brings to the Board extensive experience in quasi-judicial proceedings, having acted as a chair of the Board of Referees for over six years.

Sheldon Mark Seigel, Victoria

Sheldon is the founding principal of The Seigel Law Group and is a Chartered Arbitrator, Chartered Mediator, and a Fellow of the Chartered Institute of Arbitrators, England. Sheldon is a past executive of the Victoria Bar Association (3 terms), served 5 years on the City of Victoria Board of Variance, and is a member of the Victoria Chamber of Commerce and Better Business Bureau. Sheldon is a member of the British Columbia Council of Administrative Tribunals, the British Columbia Arbitration and Mediation Institute and past member of the National Conference Committee and a lecturer and guest mediator for the Law Students' Mediation Course at the University of Victoria. He taught civil litigation and alternative dispute resolution for 3 years at the University of Victoria, Faculty of Law and is a member of the Canadian Association of Law Teachers. He is a graduate of the University of Ottawa Law School.

Kenneth Wm. Thornicroft, Delta

Kenneth Thornicroft is an associate professor of Business Law and Labour Relations with the University of Victoria's Faculty of Business. In addition, he holds adjunct appointments with the University of British Columbia and Royal Roads University business schools. He holds a law degree from the University of British Columbia and a doctorate in Labour and Human Resource Policy/Employment Law from the Weatherhead School of Management, Case Western Reserve University in Cleveland, Ohio.

Shiela D. Toth, Oliver

Shiela Toth presently works as a real estate appraiser for Vale Appraisals. She has ten years experience as an appraiser and specializes in farm, commercial and industrial properties. She has studied Advanced Decision Writing at the Justice Institute of BC and received an Honours Diploma in Industrial Engineering Technology from the Southern Alberta Institute of Technology.

Cheryl Vickers, Vancouver

Appointed in January 2003 as Chair, Ms. Vickers served the Board as Vice-Chair since 1995 and as a part-time Board member from 1993 to 1995. She is a lawyer and formerly practiced in a variety of fields, including administrative law. Ms. Vickers was active in the development of the British Columbia Council of Administrative Tribunals (BCCAT), is a member of that organization's Board of Directors, and served as its Secretary from 1996 to 1998. She has assisted in curriculum development for BCCAT courses offering training to appointees of quasi-judicial boards and tribunals and is an instructor of the Foundations of Administrative Justice, Foundations for Professional Regulatory Tribunals, Staff Foundations, and Advanced Decision Writing courses. She has delivered workshops on case management and alternate dispute resolution for tribunals at annual conferences of BCCAT and the Council of Canadian Administrative Tribunals.

John A. Warren, North Vancouver

John Warren is President of Cumberland Realty Advisors in North Vancouver. He is an accredited appraiser of the Appraisal Institute of Canada and a member of the Real Estate Institute of BC. Mr. Warren holds a Diploma in Urban Land Economics from the University of BC. He has also acted as a qualified expert witness for the Federal Court of Canada, the Supreme Court of BC and the Land Compensation Board of Alberta.

Candace C. Watson, Vancouver

Ms. Watson has considerable market and valuation experience, with more than 28 years direct experience in property valuation. She is an accredited appraiser with the Appraisal Institute of Canada, a Fellow in the Real Estate Institute of Canada, and a former governor of the Real Estate Institute of BC. Ms. Watson is also a member of the National Appeal Board of the Appraisal Institute of Canada. She has her own appraisal company and specializes in the analysis and valuation of investment properties. Appointed to the Board in 1998, Ms. Watson has acquired substantial knowledge of administrative processes and procedures.

APPENDIX 3

How the Board Does Its Job

The Initial Process

BC Assessment completes the assessment roll and mails the assessment notices to property holders by December 31 in the previous year. The properties are valued as of July 1 of the previous year, based on the physical condition and use as of October 31. For example, the 2003 roll was completed by December 31, 2002 with a valuation date of July 1, 2002 and a "state and condition" date of October 31, 2002.

If a person is dissatisfied with an assessment, a complaint must be filed to the local Property Assessment Review Panel no later than January 31. The Review Panel conducts hearings over a six week period, ending mid-March. Their Decision notices are mailed by April 7.

If a party is dissatisfied with the decision of the Review Panel, an appeal must be filed to the Board by April 30. The Board typically receives 1,000 to 1,500 appeals annually.

Appeals to the Board

Parties may appeal:

- the assessed value and/or classification of a property;
- the granting or withholding of an exemption to a property;
- an error or omission in the assessment roll respecting the name of a person or land or improvements; or
- the omission or refusal of the Property Assessment Review Panel to adjudicate a complaint made to it.

The Board is also the first level of appeal against the Assessment Commissioner's Rates and for appeals under the Forest Land Reserve Act.

Valuation appeals to the Board may involve single family residences and recreation properties, hotels, shopping centres, office towers, cement plants, and pulp mills, to name just a few.

The classification issues have varied significantly and included whether properties qualify for farm classification; whether strata units are entitled to residential classification; and the correct classification of manufacturing and transportation facilities.

Exemption appeals have included entitlement to the pollution abatement exemption and exemption for properties that are used for demonstrable benefit to all members of the community.

Commissioner Rate appeals have involved issues such as how fibre optic cables are valued.

As soon as an appeal is filed, the Board starts work. All appeals are processed as quickly as possible, to provide the earliest possible certainty of the assessment roll, for both property owners and local governments.

The Board's first step is to review each appeal to ensure that it has been filed within the deadline set by the Assessment Act, the appropriate fee has been paid, and that the notice of appeal meets the statutory requirements. The next step is to assign the appeals for case management.

Appeal Management

Case management is primarily conducted through appeal management conferences (AMCs).

The main purpose of an AMC is to identify and resolve as many appeal issues as possible. This can result in the settlement or withdrawal of an appeal without a hearing, thereby contributing to quick and cost effective resolution. Even if case management does not resolve the appeal, the hearing will usually be shorter and more efficient.

An AMC may be held at the request of a party, but generally the Board takes the initiative to arrange these conferences. AMCs are usually conducted by telephone, but may sometimes be held in-person. During a conference the parties are required to discuss and clarify what is really at issue in an appeal. The parties may be ordered to produce documents and reports to each other.

Depending on complexity of the appeal, several AMCs may be held. If a party fails to comply with a Board order, the Board may sanction the party by requiring them to pay costs, or in extreme cases, by dismissing the appeal.

Recommendations and Withdrawals

Often appeal management is a catalyst for further discussions between the parties. Sometimes an appellant will decide to withdraw the appeal. In other cases, the parties may submit a recommendation to the Board to change the assessment roll. The Board reviews the reasons for the

proposed change. If it is satisfied the proposed change will ensure accuracy of the roll, the Board will issue an order to change the assessment, without a hearing being required.

Settlements

Parties may be required to attend a settlement conference, conducted by a Vice Chair. Even if a settlement is not achieved on all matters in dispute, the issues are often narrowed and a subsequent hearing will typically take less time.

Pre-Hearing Steps

If the appeal cannot be resolved, the focus of appeal management shifts to ensuring the parties are properly prepared for hearing and the hearing proceeds as efficient as possible. To achieve this, the Board may make a number of different orders, such as the preparation of statements of agreed facts. The Board may also order that appeals with common issues, similar properties or related owners be heard together.

Due to the volume of appeals and to ensure proper notice to the parties, hearings are scheduled several weeks or months in advance. In the interim, recommendations or withdrawals may still be submitted, and if accepted, the hearing will be cancelled.

Natural Justice and the Board

As a quasi-judicial tribunal, the Board must apply the rules of natural justice and procedural fairness. Parties are entitled to know each other's case and to be heard on the issues, and the decision must be made by an impartial panel. To meet these requirements, the Board has enacted Rules of Practice and Procedure. The Board has a duty to act fairly in applying the rules, and in conducting appeal hearings.

While appeal management will usually address these issues prior to the hearing, in a few limited cases, a hearing may have to be adjourned, to ensure all parties' rights are properly addressed. While this may conflict with the Board's objective to resolve appeals in a timely manner, the duty to be fair must be given the highest priority.

At the Hearing

The Board usually follows standard procedures, which are similar to, but less formal than, court procedures. Information sheets on the hearing procedures are made available in advance of the hearings, so the parties can properly prepare. The parties do not have to have a lawyer to represent them.

The Board is not required to apply the strict rules of evidence that a court uses. The Board may accept any evidence it thinks would be of assistance. Appeal management assists in ensuring the parties disclose evidence in advance of the hearing to avoid surprises at the hearing.

The Board may conduct hearings in person, by telephone or on the basis of written submissions. In person hearings vary in length from a few hours to several days. Depending on the nature and complexity of an appeal, the hearing may be conducted by a single Board member or a panel of two to three members.

Issuing Decisions

After the hearing, the Board issues a written order, detailing the decision and reasons. The Board must consider and weigh the evidence admitted at the hearing. While not bound by its earlier decisions on an issue, the Board aims for consistency, or to explain any reason for an apparent inconsistency with an earlier decision. The Board must also consider any direction the courts have given in previous cases about how to interpret and apply the Assessment Act and Regulations.

Due to the volume of appeals and complexity of some hearings, it may take some time for the decision to be issued. All parties are sent a copy of the decision, and if a change is ordered, the Assessor must amend the assessment roll.

Appeals from the Board

The Board's decision on factual matters is final, and there is no right of appeal.

A person affected by a decision of the Board may, however, appeal on a question of law to the B.C. Supreme Court.

Appeals may be filed because a party believes the Board was wrong in its decision, or the legislation or case law on the issue is unclear, or the party is dissatisfied with the current state of the law.

Appeals must be started within 21 days of receipt of the Board's decision. The Board is required to prepare and file the appeal (called a stated case) with the Court within a further 21 days.

A party may appeal the decision of the Supreme Court to the B.C. Court of Appeal, with permission (leave) of that court.

APPENDIX 4

Glossary of Terms

Appeal Management Conference (AMC)

The main purpose of an AMC is to review the appeal steps and identify and resolve as many appeal issues as possible. Most AMCs are conducted by telephone. The parties discuss the issues and the Board can make a variety of orders, such as the disclosure of documents. If resolution does not appear likely, the appeal is usually scheduled for a hearing. Some complex appeals may have several AMCs before the appeal is heard.

Decision in Progress

This term is used in the statistical appendices. It includes appeals that have had a hearing and the Board is in the process of preparing a written decision. It also includes appeals which the Board is in the process of issuing an order on a dismissal, withdrawal or recommendation (to change the assessment).

Invalid/Dismissed Order

Is a written order of the Board that is issued when the appeal is determined to be invalid or is dismissed for non-compliance to Board orders. When appeals are received, the Registrar examines whether or not an appeal meets the criteria required by the Assessment Act. If requested by a party, the Board will review the Registrar's opinion. If the Board determines the appeal is invalid, it will issue an order dismissing the appeal.

Pending Court/Board Decision

This term is used in the statistical appendices. It includes appeals which are being held, pending action on other appeals before the courts or the Board. Usually this occurs when the appeal issues are very similar and it is more appropriate to hold the appeal until the court or Board makes a decision on the other appeal.

Protective Appeals

This term is used in the statistical appendices. Given that the assessment roll is issued on an annual basis, if there is a disagreement with an assessment, an appeal must be filed with the Board each year. When there is an outstanding appeal from a prior year, an appeal filed in the subsequent year is referred to as "protective." Resolution of the prior year's appeal generally results in resolution of the protective appeal.

Recommendation

When the parties mutually agree to change an assessment, they submit a joint "Recommendation" to the Board. The Board reviews the recommendation, and, if appropriate, issues an order requiring BC Assessment to implement the changes.

Roll Number

The distinctive number assigned to each entry on the assessment roll. Generally every property has a roll number and receives an individual assessment. More than one property may be assigned one roll number, where the properties comprise a single entity. In some cases a property can have more than one roll number.

Settlement Conference

The purpose of a Settlement Conference is to reach mutual agreement on all or some of the appeal issues. The Board facilitates this Conference using alternative dispute resolution techniques and discussions are held without prejudice to the position which may be taken if the appeal proceeds to a hearing.

Withdrawal

An appellant may apply to the Board to withdraw their appeal before the hearing. If approved, the Board will issue a desk order permitting the withdrawal and closing the appeal.

APPENDIX 5

2003 Appeal Completion Results Compared to Results for 2002

Period	Appeals at Beginning of Period	Appeals at December 31	Appeals Completed Within Period	% Completed in Period
New Appeals	1,318	578	740	56%
Prior Year Appeals	876	422	454	52%
Year 2003 Total	2,194	1,000	1,194	54%
New Appeals	1,142	502	640	56%
Prior Year Appeals	772	374	398	52%
Year 2002 Total	1,914	876	1,038	54%

APPENDIX 6

Completion Results by Appeal Year

Year filed	Appeals at Beginning of Year	Method of Completion: Invalid/ Dismissed	Withdrawals	Recommendations	Decisions after a hearing	Total completed	Appeals Outstanding at Dec 31/03
2003	**1,318**	**50**	**293**	**331**	**66**	**740**	**578**
2002	502	10	83	150	61	304	198
2001	139	1	13	39	4	57	82
2000	46	0	14	7	0	21	25
1999	44	0	12	5	0	17	27
1998	37	0	10	3	0	13	24
Pre-1998	108	0	33	9	0	42	66
TOTAL	2,194	61	458	544	131	1,194	1,000

Method of Completion of Appeals in 2003

APPENDIX T

Board Activities in 2003 Compared to Prior Years

Board Activity	Results in year: 2003	2002	2001	2000	1999
New Appeals Registered	**1,318**	1,142	1,071	820	969
Prior Year Appeals (beginning of year)	**876**	772	748	719	1,183
Total Appeals	**2,194**	1,914	1,819	1,539	2,152
# of AMCs Conducted	**559**	584	754	559	499
# of Appeals Involved	**1,436**	1,050	1,316	960	1,050
Number Held	**28**	29	29	22	25
# of Hearings	**103**	139	113	143	228
# of Hearing Days	**133**	173	157	121	160
Total SMP Hearing Days	**89**	147	85	64	100
As a % of Hearing Days	**66.9%**	85.0%	54.1%	52.9%	62.5%
By withdrawals/Invalid Orders	**519**	439	541	345	630
By recommendations	**544**	437	390	337	568
By decisions after a hearing	**131**	162	116	109	235
Number completed	**1,194**	1,038	1,047	791	1,433

Summary of Outstanding Appeals

	Outstanding Appeals						
	Total	2003 Appeals			Prior Year Appeals[1]		
Appeal Status	**Dec 31/03**	**Dec 31/03**	Apr 30/03[2]	Inc./(Decr.)	**Dec 31/03**	Dec 31/02	Inc./(Decr.)
Appeal Management in Progress	**620**	**433**	1,318	(67%)	**187**	602	(69%)
Protective (previous year o/s for same property)[3]	**155**	**84**	N/A	N/A	**71**	174	(59%)
Scheduled for Hearing	**126**	**65**	0	N/A	**61**	57	7.0%
Pending Court/Board Decision	**217**	**54**	0	N/A	**163**	160	1.9%
Decision in Progress	**37**	**26**	0	N/A	**11**	57	(81%)
Total Outstanding Appeals	**1,000**	**578**	1,318	(56%)	**422**	876	(52%)
$ Value of O/S Appeals (millions)	**$18,802**	**$7,939**	$10,812	(27%)	**$10,863**	$14,395	(25%)
$ Value of "Pending Court/Board Decision" Appeals (millions)	**$2,775**	**$335**	$1,361	(75%)	**$2,440**	$5,491	(56%)
$ Value of "Active" Appeals (millions)	**$16,027**	**$7,604**	$9,452	(20%)	**$8,423**	$8,904	(5%)

Notes:

1. Includes all outstanding appeals to the Board from the 2002 and earlier rolls.
2. April 30, 2003 was the filing deadline for the 2003 appeals.
3. These figures are included in "Appeal Management in Progress".

Regional Distribution of Outstanding Appeals

Region		Dec. 31/03	Dec. 31/02	% Incr./(Decr.)
Vancouver (Area 09)	Appeals Outstanding	**223**	149	50%
	Assessed Value ($ millions)	**$7,088**	$5,185	37%
Lower Mainland (Areas 08, 10, 11, 12, 14, 15)	Appeals Outstanding	**311**	225	38%
	Assessed Value ($ millions)	**$4,435**	$3,321	34%
Vancouver Island (Areas 01, 04, 05, 06)	Appeals Outstanding	**175**	240	(27%)
	Assessed Value ($ millions)	**$2,968**	$2,150	38%
Interior and Northern (Areas 16 to 27)	Appeals Outstanding	**288**	261	10%
	Assessed Value ($ millions)	**$4,311**	$3,740	15%
Total All Regions	Appeals Outstanding	**997**	875	14%
	Assessed Value ($ millions)	**$18,802**	$14,396	31%

Note:

1. The table does not include 3 Commissioners Rate appeals.

Outstanding Properties By Appeal Year and Classification at December 31, 2003

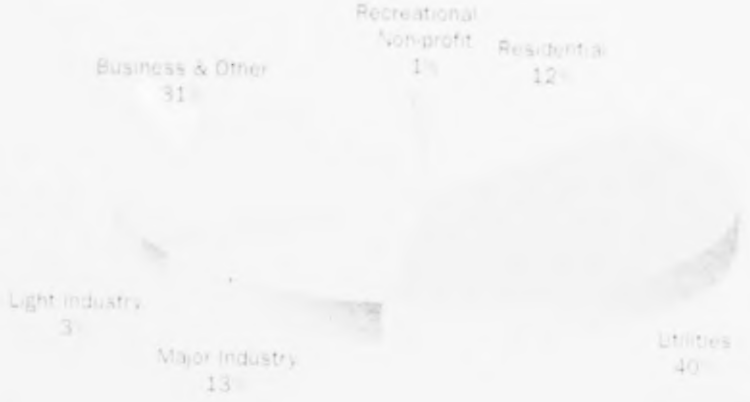
The following shows the breakdown of outstanding properties by classification and assessment year. The statistics are based on the number of rolls (rather than the number of appeals) because an appeal can involve several rolls, which may have different classifications.

	Outstanding Appeals (Number of Roll Numbers)										
	2003		2002		2001		2000		Pre-2000		Total Assessed
Classification	Number	%	Number	%	Number	%	Number	%	Number	Total All Years	Value ($mil.)
Residential	578	48%	74	10%	43	8%	30	3%	112	837	$651
Utilities	658	97%	741	98%	470	80%	162	48%	755	2,786	$2,436
Unmanaged Forest	2	67%	0	0%	0	0%	0	0%	0	2	$0
Major Industry	169	91%	136	77%	119	50%	100	53%	400	924	$4,384
Light Industry	87	66%	25	20%	10	9%	15	10%	56	193	$549
Business & Other	1,704	62%	274	9%	97	4%	10	1%	36	2,121	$10,683
Managed Forest	5	28%	5	23%	0	0%	0	0%	0	10	$1
Recreational/ Non-profit	42	67%	18	15%	0	0%	0	0%	0	60	$99
Farm	0	0%	0	0%	0	0%	0	0%	1	1	$0.01
Total for all classifications	3,245	64%	1,273	25%	739	18%	317	13%	1,360	6,934	$18,802

Notes:

1. Percentage of outstanding properties as a percentage of the number initially assessed in each year.
2. These numbers are greater than the total number of properties due to split classifications where one property can have more than one classification.

Distribution of outstanding properties



APPENDIX 10

Outstanding Properties By Appeal Year and Classification at December 31, 2003

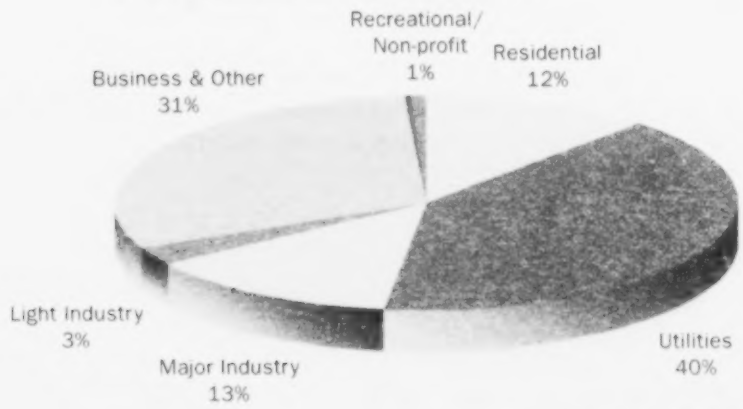
The following shows the breakdown of outstanding properties by classification and assessment year. The statistics are based on the number of rolls (rather than the number of appeals) because an appeal can involve several rolls, which may have different classifications.

	Outstanding Appeals (Number of Roll Numbers)										Total
	2003		2002		2001		2000		Pre-2000	Total	Assessed Value
Classification	Number	%[1]	Number	%	Number	%	Number	%	Number	All Years	($mil.)
Residential	578	48%	74	10%	43	8%	30	3%	112	837	$651
Utilities	658	97%	741	98%	470	80%	162	48%	755	2,786	$2,436
Unmanaged Forest	2	67%	0	0%	0	0%	0	0%	0	2	$0
Major Industry	169	91%	136	77%	119	50%	100	53%	400	924	$4,384
Light Industry	87	66%	25	20%	10	9%	15	10%	56	193	$549
Business & Other	1,704	62%	274	9%	97	4%	10	1%	36	2,121	$10,683
Managed Forest	5	28%	5	23%	0	0%	0	0%	0	10	$1
Recreational/ Non-profit	42	67%	18	15%	0	0%	0	0%	0	60	$99
Farm	0	0%	0	0%	0	0%	0	0%	1	1	$0.01
Total for all classifications[2]	3,245	64%	1,273	25%	739	18%	317	13%	1,360	6,934	$18,802

Notes:

1. Percentage of outstanding roll numbers (as a percentage of the number initially appealed in each year)
2. These numbers are greater than the total number of properties due to split classifications where one property can have more than one classification. In June 2003 the Board discontinued adjusting the numbers downward to coincide with the total number of properties. This approach will provide for more precise figures on the distribution between different classifications.

Distribution of outstanding properties



Breakdown of Expenditures by Calendar Year ($000's)

Calendar Year (Jan. 1 to Dec. 31)	Salaries & Benefits	Members Fees	Travel Expenses	Hearing Facilities	Office Supplies	Occup. Expenses	Systems & Telecom	Training Expenses	Misc. Expenses	Total Exp.
2003	**$667.1**	**$139.3**	**$31.0**	**$14.8**	**$18.9**	**$65.4**	**$135.3**	**$18.5**	**$28.6**	**$1,118.9**
2002	$670.6	$118.7	$48.2	$12.6	$30.5	$92.4	$86.4	$11.7	$10.1	$1,081.2
2001	$707.5	$81.7	$56.1	$8.8	$25.2	$76.3	$104.2	$9.3	$9.7	$1,078.8
2000	$695.8	$89.8	$48.0	$6.2	$44.6	$95.0	$111.6	$7.8	$14.5	$1,113.3
1999	$870.9	$235.1	$75.8	$9.3	$28.9	$99.9	$79.2	$8.4	$15.2	$1,422.8
1998	$650.2	$567.4	$119.3	$9.5	$53.1	$148.2	N/A	N/A	$7.6	$1,555.3
1997	$367.1	$728.8	$107.6	$6.2	$45.7	$81.0	N/A	N/A	$53.6	$1,390.0

Expenditures per Completed Appeal ($000's)

Year and (# of completed appeals[1])	Direct Costs	Indirect Costs	Total Costs
2003 (1,194)	**$0.714**	**$0.223**	**$0.937**
2002 (1,038)	$0.819	$0.223	$1.042
2001 (1,047)	$0.816	$0.215	$1.030
2000 (791)	$1.062	$0.346	$1.407
1999 (1,433)	$0.831	$0.162	$0.993
1998 (2,012)	$0.669	$0.104	$0.773
1997 (1,236)	$0.979	$0.146	$1.125

APPENDIX 11

Analysis of Expenditures

Breakdown of Expenditures by Calendar Year ($000's)

Calendar Year[1] (Jan. 1 to Dec. 31)	Salaries & Benefits[2]	Members Fees	Travel Expenses	Hearing Facilities	Office Supplies	Occup. Expenses[3]	Systems & Telecom.	Training Expenses	Misc. Expenses	Total Exp.[1]
2003	**$687.1**	**$139.3**	**$31.0**	**$14.8**	**$18.9**	**$65.4**	**$135.3**	**$18.5**	**$28.6**	**$1,118.9**
2002	$670.6	$118.7	$48.2	$12.6	$30.5	$92.4	$86.4	$11.7	$10.1	$1,081.2
2001	$707.5	$81.7	$56.1	$8.8	$25.2	$76.3	$104.2	$9.3	$9.7	$1,078.8
2000	$695.8	$89.8	$48.0	$6.2	$44.6	$95.0	$111.6	$7.8	$14.5	$1,113.3
1999	$870.9	$235.1	$75.8	$9.3	$28.9	$99.9	$79.2	$8.4	$15.2	$1,422.8
1998	$650.2	$567.4	$119.3	$9.5	$53.1	$148.2	N/A	N/A	$7.6	$1,555.3
1997	$367.1	$728.8	$107.6	$6.2	$45.7	$81.0	N/A	N/A	$53.6	$1,390.0

Expenditures per Completed Appeal ($000's)

Year and (# of completed appeals[4])	Direct Costs[5]	Indirect Costs[6]	Total Costs
2003 (1,194)	**$0.714**	**$0.223**	**$0.937**
2002 (1,038)	$0.819	$0.223	$1.042
2001 (1,047)	$0.816	$0.215	$1.030
2000 (791)	$1.062	$0.346	$1.407
1999 (1,433)	$0.831	$0.162	$0.993
1998 (2,012)	$0.669	$0.104	$0.773
1997 (1,236)	$0.979	$0.146	$1.125

Notes:

1. For comparability amortization and capital expenditures have not been included in these figures.
2. Includes contracts for recording secretaries for hearings.
3. Occupation Expenses for 1998 and 1999 included expenditures for telecommunications, computer systems maintenance and minor furniture and equipment purchases.
4. Completed Appeals include decisions and desk orders and the number completed is listed in brackets following the calendar year.
5. Direct costs includes Salaries & Benefits, Members' Per Diems, Travel Expenses and Hearing Facilities costs, listed in the table above.
6. Indirect Costs includes Office Supplies, Occupancy Expenses, Systems and Telecommunications, Training Expenses and Miscellaneous Expenses, listed in the table above.

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